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Comité permanent des règlements et des projets de loi d'intérêt privé

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Wednesday 6 December 2017

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Mercredi 6 décembre 2017

Chair: Ted McMeekin
Clerk: Christopher Tyrell

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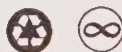
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE
ON REGULATIONS
AND PRIVATE BILLSCOMITÉ PERMANENT DES
RÈGLEMENTS ET DES PROJETS
DE LOI D'INTÉRÊT PRIVÉ

Wednesday 6 December 2017

Mercredi 6 décembre 2017

*The committee met at 0901 in committee room 1.*JETTERANCE CANADA
LIMITED ACT, 2017

Consideration of the following bill:

Bill Pr75, An Act to revive Jetterance Canada Limited.

The Chair (Mr. Ted McMeekin): The Standing Committee on Regulations and Private Bills will now come to order. There was one private bill on the agenda for consideration, and it was sponsored by MPP Soo Wong.

Soo, if you would introduce the applicant, I'll then ask the applicant to explain.

Ms. Soo Wong: Thank you very much, Mr. Chair, and good morning to the members.

I'm here with the applicant, Chu-Yiu Lau, and on his immediate right is Tammy Lam. They are here before the committee this morning.

The Chair (Mr. Ted McMeekin): Welcome.

Mr. Chu-Yiu Lau: Thank you.

The Chair (Mr. Ted McMeekin): Would you like to share with us your situation, please?

Mr. Chu-Yiu Lau: Yes. Okay. The first question I would like to address is: Why was the company dissolved? The company was dissolved on about January 8, 2003, I believe, for its failure to comply with the provisions of the Business Corporations Act, which may include the failure to file its tax returns since 2002 and the lack of a Canadian-resident director following my resignation as a director of the company.

You may ask, "Why did you resign in 2001?" I would have to say I resigned as a director in 2001 because, for the entire period of the existence of the company, I was kept in the dark about the financial and operational conditions of the company, Jetterance, by the other director running the company.

The Chair (Mr. Ted McMeekin): So there were two directors?

Mr. Chu-Yiu Lau: Actually, three directors, but that other director was the one responsible for running the company.

The Chair (Mr. Ted McMeekin): Okay—sorry to interrupt. I just wanted it to be clear.

Mr. Chu-Yiu Lau: That other director was the son of the family that controls 80% of the group of companies

in which Jetterance has a 10% minority interest. That person, that other director, died in 1995. After his death, it was even more difficult for me to obtain financial information from the majority shareholder, which actually controls the group of four or five companies that own properties.

Before my immigration to Canada in 1983, I was an employee of that family, which is the majority shareholder in Hong Kong. That made it very difficult for me to take any drastic action against the family. Therefore, there was a lot of frustration, and this was the main reason for my resignation as a director of Jetterance.

Then you may ask: If I resigned in 2001, why do I want to revive the company this year? In about June 2017, this year, I was made aware that the Forfeited Corporate Property Act, 2015, would come into force in December 2016. The effect of this was that unless Jetterance is revived, its properties would be subject to being forfeited.

As I already did some work to try to revive Jetterance in 2015 and relevant government ministries were aware of my efforts made in 2015, the Office of the Public Guardian and Trustee approached my accountant, Tammy, to enquire if I intended to continue the revival process for Jetterance. We replied to the Office of Public Guardian and Trustee to the positive, and commenced the necessary action, again, right away. We were given a deadline to file all our outstanding tax returns before July 14, 2017, and we completed the filing of all outstanding tax returns on July 11, 2017, three days before the set deadline.

We hope my application to revive the company will be approved. If it's approved, what do I intend to do? I intend to put Jetterance in good standing by filing all necessary papers with the corporation tax branch of the Ministry of Finance, the companies and personal property security branch of the Ministry of Government Services and all other relevant government departments.

I intend to retrieve all accounting and corporate records of Jetterance—currently hopefully in the possession and custody of the majority shareholder, which is the family that controlled the entire group—or any other sources available to me. I shall also try to obtain an update of the current situations relating to the group's projects and their finances and report the conditions to

our other shareholders for their consideration and decision on what to do next.

The Chair (Mr. Ted McMeekin): Is there anybody here who wants to speak about this topic?

Mr. Jack MacLaren: I would.

The Chair (Mr. Ted McMeekin): That'll be in a second. We're looking for people—

Mr. Jack MacLaren: I had a question. You mean something else?

The Chair (Mr. Ted McMeekin): Yes, we'll get to that.

Mr. Jack MacLaren: Sorry. Okay.

The Chair (Mr. Ted McMeekin): So the applicant made comments, and there are no comments from other interested parties. We'll go first to the government side. Questions and comments?

Mr. Lou Rinaldi: No comments. I think that the gentleman made a pretty detailed account of where he's been and what's going on, and we're satisfied with that.

The Chair (Mr. Ted McMeekin): All right.

Interjection.

The Chair (Mr. Ted McMeekin): Please.

0910

Mr. Jack MacLaren: Well, I'm confused. You mention a family that owns many companies, and your Jetterance company is part of that?

Mr. Chu-Yiu Lau: Yes.

Mr. Jack MacLaren: It owns 10% of 80% of a group of companies?

Mr. Chu-Yiu Lau: There were about four companies, four or five—I think four companies incorporated in Canada, which own properties.

Mr. Jack MacLaren: Land and buildings?

Mr. Chu-Yiu Lau: Land and buildings. The company was established in 1981.

Mr. Jack MacLaren: Okay.

Mr. Chu-Yiu Lau: Jetterance was a 10% shareholder of all these other companies. Actually, the four companies, including Jetterance, were run by the eldest son of the family, and a boss. In those times, they really did not share any information with us. We were unable to know exactly what was happening.

Mr. Jack MacLaren: So what percentage of Jetterance do you own?

Mr. Chu-Yiu Lau: Pardon?

Mr. Jack MacLaren: What portion of the company—

Mr. Chu-Yiu Lau: Jetterance has 10% in the group of companies which own properties.

Mr. Jack MacLaren: But what portion of Jetterance—

Mr. Chu-Yiu Lau: Myself, I own 24.5%.

Mr. Jack MacLaren: Of Jetterance?

Mr. Chu-Yiu Lau: Of Jetterance. And we have four shareholders. The son of the big family has 26.5%, and the other three of us have 24.5% each. But from the very beginning until now, actually, all the affairs were being run and managed by the eldest son of the family. We really knew very little about the company. In 1995, that person died.

Mr. Jack MacLaren: The eldest son?

Mr. Chu-Yiu Lau: Yes, the eldest son died.

Mr. Jack MacLaren: And he owned 26.5%?

Mr. Chu-Yiu Lau: Yes, 26.5%.

Mr. Jack MacLaren: Okay. He's dead, so the three of you are left?

Mr. Chu-Yiu Lau: The three of us were left, but then we were not given any information. We tried to get the information from them. Nothing was given to us.

Mr. Jack MacLaren: By the other two directors?

Mr. Chu-Yiu Lau: Yes, but they kept on filing tax returns probably with the blessing of this—

Mr. Jack MacLaren: Do you have a hostile relationship with the other two directors?

Mr. Chu-Yiu Lau: The other two directors, one is a colleague of mine, working together in the family. We call them the Yeung family, by the surname Yeung. He and I together work for the family.

One other is a very close friend of the eldest son of the Yeung family, whom I do not know very well.

Mr. Jack MacLaren: Are either of these directors supportive of you being here today?

Mr. Chu-Yiu Lau: Yes.

Mr. Jack MacLaren: Both of them are?

Mr. Chu-Yiu Lau: The reason why I started in 2015 trying to do so, I was unable to get hold of the two other people—

Mr. Jack MacLaren: Do you have any documentation from them with you today, saying you have their support?

Mr. Chu-Yiu Lau: I don't have it today, but I have it on file. I've talked to them, and they gave me the permission to proceed.

Mr. Jack MacLaren: If you had that support here today, it would be a lot easier to support you. Because right now, we're talking to somebody who owns 24.5%.

Mr. Chu-Yiu Lau: Yes.

Mr. Jack MacLaren: So who owns the 26.5% of the dead son?

Mr. Chu-Yiu Lau: We don't know anything—

Mr. Jack MacLaren: His family, I assume?

Mr. Chu-Yiu Lau: We don't know what happened to his estate.

Mr. Jack MacLaren: So you're speaking for 24.5% of Jetterance?

Mr. Chu-Yiu Lau: I can speak for—

Mr. Jack MacLaren: And the other 75% isn't here.

Mr. Chu-Yiu Lau: Isn't here.

Mr. Jack MacLaren: Right.

Mr. Chu-Yiu Lau: But I have—

Ms. Tammy Lam: Through email, we have consent from the other family.

Mr. Chu-Yiu Lau: I have three emails and correspondence, and I have made them contribute a small sum of money to keep this going.

Mr. Jack MacLaren: All right. So I'm uncomfortable with that because you own a quarter and the other 75% is not spoken for here.

But on another question, is the land that was owned by these other companies of which Jetterance owns 10% still owned by those companies? Or does Jetterance still own that portion of these various lands and these four companies?

Mr. Chu-Yiu Lau: We are not 100% sure. Actually, we have a list of properties to start off.

Mr. Jack MacLaren: I assume what you would like to have is your share of the value of these properties.

Mr. Chu-Yiu Lau: That's right. We don't know what the value is, what the financial situation is—

Ms. Tammy Lam: Unless we revive—

Mr. Jack MacLaren: Personally, if you had the other shareholders or the majority here with you, supporting you, I would support you.

Mr. Chu-Yiu Lau: I would have 24.5 times three. That would be a little less than 75%.

Ms. Tammy Lam: Yes. The other two shareholders, about his age, are in Hong Kong. They're not here. That's why.

Mr. Jack MacLaren: Oh, I see.

Mr. Chu-Yiu Lau: They're based in Hong Kong.

Mr. Jack MacLaren: Okay. Well then, it's not reasonable to expect them to be here, but some kind of certified documentation would be good.

Ms. Tammy Lam: Okay. I think that would be okay, because we have the email from them saying that there is consent, that they agree to get this company revived.

Mr. Chu-Yiu Lau: To whom should I send that email? I can get them to send me an email that they authorize me to—

Mr. Jack MacLaren: Yes. Some kind of legal proof, documentation, that they support you.

Mr. Chu-Yiu Lau: Okay. Thank you very much. I'll ask them for that.

Mr. Jack MacLaren: And then I will vote for you.

The Chair (Mr. Ted McMeekin): Ms. French?

Ms. Jennifer K. French: Okay. I see here in the compendium, which is what we are given with any supporting documentation—Mr. MacLaren was asking about the emails or the other, give or take, 75%. Has there been anything—I'm asking the Clerk—submitted that you've seen, because it says here that it's appropriate to grant the application. I would imagine that as part of the process, there's some due diligence to find out if other interested parties exist.

The Clerk of the Committee (Mr. Christopher Tyrell): As part of the application process, one of the steps is that they have to advertise once a week for four weeks in both the Ontario Gazette as well as a newspaper that circulates in the locality most affected by the corporation. We received a statutory declaration indicating they had done that.

The reason that we have the notice portion of the application should be to allow for any interested parties who may see this and either object or want to come in speak in favour of it to know that this is happening. It has instructions to contact my office if they want to speak either for or against it.

Ms. Jennifer K. French: Okay. So if Jetterance is revived, then you are able to get some of the answers to your questions, like about the value of the land or your portion and all of that, which would also technically allow the other shareholders to have the same access to the information. Is there any reason to believe that keeping this company defunct somehow is beneficial for the other shareholders? Is there any reason to imagine that they would not want this open or re-opened or revived or whatever to then be able to access it on their own—to access that information and their shares and whatnot? We're trying to figure it out because they're not here.

Ms. Tammy Lam: Yes. Actually, every year, Mr. Lau did get the annual minutes from them, knowing that this company has been dissolved, but they do stand in for courtesy purposes. They're not really wanting to reject us from there. It's just that, because it was inadvertently—having a director resign and get the company dissolved. But Mr. Lau gets the annual minutes. That's why I say that those companies are not wanting you out. It's just that this is not revived, so nothing can be done from their side, too.

Ms. Jennifer K. French: Okay. But they don't stand to lose something if it is revived?

Ms. Tammy Lam: Not that we know.

The Chair (Mr. Ted McMeekin): With your permission, Ms. French: Control of the company that's being re-established, potentially, would fall to the three stakeholders who had little, if any, role to play in the previous and were denied, we're told, access.

Ms. Jennifer K. French: Yes, and one of whom is deceased.

The Chair (Mr. Ted McMeekin): Yes. With respect and with your permission, what occurs to me is, do you have the authority even to request a renewal of the company? If that is part of your supposition, what evidence can you produce to that effect? You had mentioned the concurrence of the other stakeholders, which would constitute about 75%, I believe. Ms. French, I think you were asking the same question.

0920

Ms. Jennifer K. French: Well, I'm getting a little tangled in it because I recognize that this individual is a shareholder but it's not his company per se, and it was through—whether we're going to use the word “inadvertent,” it was an intentional resignation with unintended consequences. Is that correct?

Ms. Tammy Lam: Yes.

Ms. Jennifer K. French: Okay. So because of your resignation, it was dissolved, unintentionally perhaps, but to your comment, I don't understand this well enough to feel confident in saying that you would have the authority.

The Chair (Mr. Ted McMeekin): The Clerk would like to make a comment. Mr. Clerk.

The Clerk of the Committee (Mr. Christopher Tyrell): I would just comment that it's rare that companies have only one stakeholder, or shareholder. Any time we're dealing with a revival, if the corporation were to be

revived, each member would still have the same stake in the corporation as they did before, so it is not to say that one stakeholder with a minority stake in the company would be able to do anything that they wouldn't have been able to do had the corporation never been dissolved.

It's for the committee to decide, obviously, but in the case of a revival I believe the bill says that it will be revived as if it had never been dissolved. Any ability that each stakeholder had before the dissolving of the corporation—they would have the same amount of ability and the same amount of say in the corporation.

The Chair (Mr. Ted McMeekin): And all the rights and privileges and obligations would be restored.

The Clerk of the Committee (Mr. Christopher Tyrell): Yes, to the initial parties that held their initial stakes in the corporation.

The Chair (Mr. Ted McMeekin): Okay. Do you have any questions, Mr. Coe?

Mr. Lorne Coe: Thank you, Chair. I think you summed it up adequately in your last commentary. My questions have already been asked.

The Chair (Mr. Ted McMeekin): Okay. Were they answered to your satisfaction?

Mr. Lorne Coe: Yes, they were, Chair.

The Chair (Mr. Ted McMeekin): Okay.

Mr. Lou Rinaldi: Chair, just a quick comment. My questions follow what Ms. French asked to the Clerk. What the Clerk answered, I think, satisfied what I was going to ask. But just to reaffirm, though, this gentleman here has taken, I think—help me out here if I'm wrong—all the proper steps, and the assembly has taken every step to comply. By the sound of it, I'm not sure—and I'm not a lawyer—that because he's here today and the others are not here, this gentleman before us is going to have any other advantages bestowed on him. I'm satisfied moving forward with what we have.

The Chair (Mr. Ted McMeekin): Okay. Any other comments?

Mr. Jack MacLaren: I guess I'm uncertain of the legality of what we're being asked to do here. Maybe this would be a good question for legislative counsel. Do we have the authority to revive this corporation with only one shareholder out of four being here?

Ms. Catherine Oh: This committee has, several times, many times in the past, approved corporations where only one shareholder has come forward. That shareholder would have had to go through the publication process that the Clerk described and, if no person comes forward to object, this committee has not seen it as a problem in the past.

Mr. Jack MacLaren: Can I ask one more question, Mr. Chair?

The Chair (Mr. Ted McMeekin): Yes, Mr. MacLaren. Do.

Mr. Jack MacLaren: Is there a deadline for you for reviving the corporation? Is there a date that is important that it be done before?

Ms. Tammy Lam: There is a 20-year timeline to revive the corporation. We are running to 13, 14 years, so we still have seven years. Is that what you asked?

Mr. Jack MacLaren: So you're giving us seven years?

Ms. Tammy Lam: We tried two years ago. We passed that date but because of this Forfeited Corporate Property Act—it is making us move forward. That's why.

Mr. Jack MacLaren: Thank you.

The Chair (Mr. Ted McMeekin): Okay. Any other comments? Are the members ready to vote?

Shall section 1 carry? Carried.

Shall section 2 carry? Carried.

Shall section 3 carry? Carried.

Shall the preamble carry? Carried.

Shall the title carry? Carried.

Shall the bill carry? Carried.

Shall I report the bill to the House? Carried. Done.

Have a nice day. Thank you for coming.

If I don't get a chance to personally wish you all the blessings of the holiday season—

The Clerk of the Committee (Mr. Christopher Tyrell): We're meeting next week.

The Chair (Mr. Ted McMeekin): We're meeting next week, so I will have a chance to—

Ms. Jennifer K. French: So you can do it all over again.

The Chair (Mr. Ted McMeekin): We're adjourned.
The committee adjourned at 0925.



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